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17 LAURI VALJAKKA

18 **UNITED STATES DISTRICT COURT**  
19 **NORTHERN DISTRICT OF CALIFORNIA**  
20 **OAKLAND DIVISION**

21 LAURI VALJAKKA,

22 Plaintiff,

23 v.

24 NETFLIX, INC.,

25 Defendant.

Case No. 4:22-cv-01490-JST

**PLAINTIFF LAURI VALJAKKA'S  
ANSWERS AND DEFENSES  
TO DEFENDANT'S ADDITIONAL  
DEFENSES AND  
COUNTERCLAIMS IN NETFLIX  
INC.'S THIRD AMENDED  
ANSWER TO THIRD AMENDED  
COMPLAINT**

**JURY TRIAL DEMANDED**

1 In response to the additional defenses and Counterclaims (ECF 192) asserted by  
 2 Defendant Netflix, Inc. (“Netflix”), Plaintiff Lauri Valjakka (“Valjakka”) answers and  
 3 counterclaims as follows:<sup>1</sup>

#### 4 **GENERAL DENIAL**

5 Pursuant to Fed. R. Civ. P. 8(b)(3), Valjakka denies all allegations in Defendant's  
 6 Counterclaims except those specifically admitted below.

#### 7 **NETFLIX’S COUNTERCLAIMS**

8 The introductory paragraph of Netflix's Counterclaims avers legal conclusion to  
 9 which no response is required, To the extent a response is required, Valjakka denies the  
 10 allegations of the introductory paragraph of Netflix's Counterclaims.

#### 11 **PARTIES**

12 1. Upon information and belief, Valjakka admits that Netflix, Inc. is a Delaware  
 13 corporation with a principal address of 100 Winchester Circle, Los Gatos, CA 95032.

14 2. Admitted.

#### 15 **JURISDICTION AND VENUE**

16 3. Valjakka admits that Netflix's Counterclaims purport to arise under the Patent  
 17 Laws of the United States, 35 U.S.C. § 1 et seq.; the Declaratory Judgment Act, 28 U.S.C. § 2201  
 18 et seq.; and that this Court has jurisdiction over the subject matter of Netflix's Counterclaims  
 19 under 28 U.S.C. §§ 1331, 1338(a). Valjakka denies any remaining allegations of Paragraph 3.

20 4. Admitted.

21 5. Admitted.

22 6. For the purposes of this action, Valjakka admits the allegations of Paragraph 6  
 23 insofar as the Third Amended Complaint alleges infringement of U.S. Patent No. 10,726,102, but  
 24 denies the allegations of Paragraph 6 as to the Third Amended Complaint alleging infringement

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25  
 26 <sup>1</sup> This amended answer is filed by agreement of the parties, pursuant to FRCP 15(a), such  
 27 agreement was reached in [phone conversations between William Ramey and Rachael Lamkin on  
 28 November 10, 2023.

1 of U.S. Patent No. 1,495, 167. For the purposes of the remainder of this Amended Answer,  
 2 Plaintiff will assume Defendant is referring to U.S. Patent No. 8,495,167 (the “167 Patent”).

3 7. Admitted.

4 8. Admitted.

5 9. Admitted.

6 10. Admitted.

7 11. Valjakka admits that there is an actual, substantial, and continuing justiciable case  
 8 or controversy with respect to infringement and validity of the '167 Patent. Valjakka admits that  
 9 Paragraph 11 states that “Netflix is entitled to a judicial determination and declaration that Mr.  
 10 Valjakka does not have rights, title, and interests in the '167 patent, and therefore lacks standing  
 11 to assert the '167 Patent against Netflix; that Netflix has not infringed and is not infringing the  
 12 '167 Patent; and that the '167 Patent is invalid. Netflix is also entitled to a judicial determination  
 13 and declaration that the '167 '102 Patents are unenforceable at least because of Mr. Valjakka's  
 14 inequitable conduct and acts of unclean hands before the U.S. Patent and Trademark Office  
 15 (“USPTO”),” but denies the veracity and merit of these allegations. Valjakka denies any  
 16 remaining allegations of Paragraph 11.

17 12. Paragraph 12 contains legal conclusions and therefore no answer is necessary. To  
 18 the extent an Answer is required, these allegations are denied.

### 19 **FACTUAL BACKGROUND**

20 13. Denied.

21 14. Denied.

22 15. Denied.

23 16. Denied.

24 17. Denied.

25 18. Valjakka admits that a Helsinki District Court held that no rights had reverted to  
 26 Valjakka under the DMTS Utilization Agreement, but denies the remaining allegations of  
 27 paragraph 18 as the court based that opinion on solely the DMTS Utilization Agreement. The  
 28

1 court did not consider Finnish common law. The court also did not consider reforming the DMTS  
 2 Utilization Agreement to make the assignor e-3 Systems, which is consistent with the intent of the  
 3 parties at the time of execution.

4 19. Valjakka admits that the decision determining the DMTS Utilization Agreement  
 5 was upheld by the Helsinki Court of Appeals, but denies the remaining allegations of paragraph  
 6 19 as the lower court based that opinion on solely the DMTS Utilization Agreement. The  
 7 appellate court did not consider Finnish common law. The appellate court also did not consider  
 8 reforming the DMTS Utilization Agreement to make the assignor e-3 Systems, which is  
 9 consistent with the intent of the parties at the time of execution.

10 20. Denied.

11 21. Admitted.

12 22. Admitted.

13 23. Denied.

14 24. Denied.

15 25. Denied.

16 26. Denied.

17 27. Denied.

18 28. Denied.

19 29. Denied.

20 30. Denied.

21 31. For the purposes of this action, Valjakka admits, that in 2005, Valjakka wrote that  
 22 Iiro Karesniemi was a co-inventor of the '685 Application in its form at that time, but denies the  
 23 remaining allegations of Paragraph 31. Valjakka named Iiro Karesniemi as a co-inventor as a  
 24 reward for his help and not for his contribution.

25 32. Denied.

26 33. Denied that Iiro Karesniemi has any rights in the issued '167 patent, admitted as to  
 27 the remainder.

1           34.     Admitted.

2           35.     Valjakka admits that when e-3 Systems was formed, Mr. Valjakka did not record  
3 any assignment of rights to the '685 Application from e-3 Solutions to e-3 Systems, but denies  
4 Mr. Karesniemi had any rights to the '685 Application at the time. It was Valjakka's intent to  
5 assign the rights to the '685 Application from e-3 Solutions to e-3 Systems.

6           36.     Denied, it was Valjakka's intent to assign the '685 application rights to e-3  
7 Systems.

8           37.     Admitted that Valjakka corrected the issue through a series of nunc pro tunc  
9 assignments.

10          38.     Admitted that Valjakka corrected the issue through a series of nunc pro tunc  
11 assignments.

12          39.     Admitted that Valjakka corrected the issue through a series of nunc pro tunc  
13 assignments.

14          40.     Admitted that Valjakka corrected the issue through a series of nunc pro tunc  
15 assignments.

16          41.     Admitted that Valjakka corrected the issue through a series of nunc pro tunc  
17 assignments.

18          42.     Denied.

19          43.     Denied to the extent that Valjakka was the intended assignor of rights from e-3  
20 Systems to Suomen Biisi. The intent of the parties was that the DMTS agreement was effective  
21 upon the assignment of rights from e-3 Systems to Suomen Biisi, or November 16, 2005, with the  
22 correct assignor being e-3 Systems. In the alternative, by operation of Finnish common law,  
23 Valjakka is the sole owner of the '167 patent. The expert report of Professor Jarno Tepora  
24 conclusively establishes that under the common law of Finland, Soumen Biisi abandoned the  
25 application that matured into the '167 patent and when Lauri Valjakka revived and the  
26 application, he became the rightful owner.

27          44.     Admitted.

28

1 45. Admitted that relief was sought solely under DMTS agreement and not Finnish  
2 common law or that a reformation of the DMTS agreement was sought.

3 46. Admitted that was the result solely under DMTS agreement and not considering  
4 Finnish common law or that a reformation of the DMTS agreement was needed.

5 47. Admitted that was the result solely under DMTS agreement and not considering  
6 Finnish common law or that a reformation of the DMTS agreement was needed.

7 48. Denied.

8 49. Admitted that was the result solely under DMTS agreement and not considering  
9 Finnish common law or that a reformation of the DMTS agreement was needed.

10 50. Admitted that was the result solely under DMTS agreement and not considering  
11 Finnish common law or that a reformation of the DMTS agreement was needed.

12 51. Admitted the court, without considering the claims or US law that “Lauri Valjakka  
13 and Iiro Karesniemi have been the inventors.”

14 52. Admitted.

15 53. Admitted.

16 54. Admitted that was the result solely under DMTS agreement and not considering  
17 Finnish common law or that a reformation of the DMTS agreement was needed.

18 55. Admitted that was the result solely under DMTS agreement and not considering  
19 Finnish common law or that a reformation of the DMTS agreement was needed.

20 56. Admitted that Suomen Biisi abandoned the ‘685 application.

21 57. Admitted that Suomen Biisi abandoned the ‘685 application.

22 58. Admitted.

23 59. Admitted to the extent that Valjakka was not relying on the DMTS agreement at  
24 that point, but rather Finnish common law.

25 60. Admitted to the extent that Valjakka was not relying on the DMTS agreement at  
26 that point, but rather Finnish common law.

27 61. Denied to the extent that Valjakka was not relying on the DMTS agreement at that  
28

1 point, but rather Finnish common law.

2 62. Admitted to the extent that Valjakka was not relying on the DMTS agreement at  
3 that point, but rather Finnish common law.

4 63. Valjakka admits that in March, 2011 the USPTO revived the '685 application.  
5 Valjakka denies the remaining allegations as Valjakka was not relying on the DMTS agreement at  
6 that point, but rather Finnish common law.

7 64. Admitted.

8 65. Admitted that a supplemental amendment was filed on January 24, 2011 to cancel  
9 claims 9 and 26 and that a Request to Correct Inventorship under 25 U.S.C. § 1.48(b) to remove  
10 Mr. Karesniemi as co-inventor was also filed on the same date. Denied as to the remaining  
11 allegations of Paragraph 65 as the only inventor of the claimed subject matter is Valjakka.

12 66. Admitted.

13 67. Admitted insofar as On January 7, 2013, Mr. Valjakka recorded a nunc pro tunc  
14 assignment retroactively effective as of June 23, 2010, to assign and revert rights in the '685  
15 Application from Suomen Biisi to Mr. Valjakka based on Clause 8 of the DMTS Utilization  
16 Agreement and Suomen Biisi's failure to prosecute the '685 Application, recorded the DMTS  
17 Utilization Agreement, and on April 8, 2013, the USPTO again issued a denial for power of  
18 attorney because Mr. Valjakka's submissions were lacking Mr. Karesniemi's signature. Denied  
19 as to the remaining allegations of Paragraph 67.

20 68. Admitted as to Valjakka, on May 23, 2013, submitted a Request to Correct  
21 Inventorship Under 35 U.S.C. § 1.48(b), alleging that the Examiner had failed to expressly act on  
22 the previous request to remove Karesniemi as a co-inventor. Denied as to the remaining  
23 allegations of Paragraph 68 as the only inventor of the claimed subject matter is Valjakka.

24 69. Admitted as the only inventor of the claimed subject matter is Valjakka.

25 70. Admitted.

## 26 **FIRST COUNTERCLAIM**

### 27 **Declaratory Judgment That the '167 Patent Is Unenforceable** 28 **Due to Inequitable Conduct**

1           71.     To the extent that Paragraph 71 incorporates prior allegations, these allegations  
2 are denied.

3           72.     Denied.

4           73.     Admitted.

5           74.     Denied.

6           75.     Denied.

7           76.     Admitted.

8           77.     Denied.

9           78.     Denied.

10          79.     Admitted insofar as Mr. Karesniemi is a named inventor in the European patent  
11 EP01660145. Denied as to the remaining allegations of Paragraph 79 as Iiro Karesniemi was not  
12 an inventor to the claim subject matter that issued as the '167 patent.

13          80.     Admitted that Iiro Karesniemi performed the ministerial function of drafting  
14 claims and did not contribute to conception.

15          81.     Admitted insofar that after Mr. Karesniemi left his employment as a software  
16 engineer at e-3 Solutions, Mr. Valjakka continued to ask Mr. Karesniemi for his help in revising  
17 the specification and claims of EP01660145. Denied as to the remaining allegations of Paragraph  
18 81.

19          82.     Admitted insofar that during the prosecution of the '167 Patent, Mr. Valjakka filed  
20 a supplemental amendment on or around January 24, 2011, to cancel two dependent claims of the  
21 '685 Application, specifically dependent claims 9 and 26. Denied as to the remaining allegations  
22 of Paragraph 82.

23          83.     Admitted insofar as in conjunction with the supplemental amendment, Mr.  
24 Valjakka also submitted a request to remove Mr. Karesniemi, citing the cancellation of dependent  
25 claims 9 and 26. Denied as to the remaining allegations of Paragraph 83.

26          84.     Admitted.

27          85.     Admitted.



- 1           86.   Admitted.
- 2           87.   Admitted.
- 3           88.   Denied.
- 4           89.   Denied.
- 5           90.   Denied.
- 6           91.   Denied.
- 7           92.   Admitted as to patent law. Denied as to a legal conclusion in reference to prior
- 8 allegations.
- 9           93.   Denied.
- 10          94.   Denied.
- 11          95.   Denied.
- 12          96.   Denied.
- 13          97.   Denied as to allegations that the '167 Patent is unenforceable because of Mr.

14 Valjakka's fraud on the USPTO and inequitable conduct. The remaining allegations in Paragraph

15 97 are legal conclusions to which no response is necessary. To the extent an Answer is required,

16 these allegations are denied.

17

18                                   **SECOND COUNTERCLAIM**

19           **Declaratory Judgment That Mr. Valjakka's Claims with Respect to the '167 Patent and**

20                                   **'102 Patent Are Barred Because of Unclean Hands**

21           98.   To the extent that Paragraph 98 incorporates prior allegations, these allegations are

22 denied.

23           99.   To the extent that Paragraph 99 incorporates prior allegations, these allegations are

24 denied.

25           100.   Admitted as to Valjakka has produced documents during the course of this

26 litigation representing that he owns the '167 patent. Denied as to the remaining allegations of

27 Paragraph 100.

28           101.   Denied.

          102.   Denied.

**THIRD COUNTERCLAIM**

**Declaratory Judgment of Non-Infringement of U.S. Patent No. 8,495,167**

103. To the extent that Paragraph 103 incorporates prior allegations, these allegations are denied.

104. Admitted.

105. Valjakka admits that Paragraph 105 states that “Netflix has not infringed and is not infringing any valid or enforceable claim of the ’167 Patent, willfully or otherwise, directly or indirectly, either literally or by application of the doctrine of equivalents. For example, Claim 1[e] requires “wherein each such transport request includes details of data to be retrieved, the address of the first server from which the data is to be requested by the first target terminal, the addresses of at least one second target terminal to which the data from the first server to be relayed by the first target terminal and an indication of a relative performance of a further target terminal based on the terminal performance information stored in the network information database;” and the Accused Products do not infringe this element, at least under Plaintiff’s apparent application of the claims. Furthermore, there is no substantial identity between the claims of the ’167 Patent and the Accused Products,” but denies the veracity and merit of these assertions.

106. The allegations in Paragraph 106 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

107. Admitted that this is an exceptional case such that an award to Valjakka of its attorneys’ fees and costs pursuant to 35 U.S.C. § 285 is justified. Denied that Netflix is entitled to an award of attorneys’ fees and costs.

**FOURTH COUNTERCLAIM**

**Declaratory Judgment of Non-Infringement of U.S. Patent No. 10,726,102**

108. To the extent that Paragraph 108 incorporates prior allegations, these allegations are denied.

109. Admitted.

110. Valjakka admits that Paragraph 110 states that “Netflix has not infringed and is not infringing any valid or enforceable claim of the ’102 Patent, willfully or otherwise, directly or indirectly, either literally or by application of the doctrine of equivalents. For example, the Accused Products do not cause “the content providing server to validate the fingerprint, and, if the validation is successful, access[] the access restricted content” as required by Claim 10 of the ’102 Patent, at least under Plaintiff’s apparent application of the claims. Furthermore, there is no substantial identity between the claims of the ’102 Patent and the Accused Products,” but denies the veracity and merit of these assertions.

111. The allegations in Paragraph 111 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

112. Admitted that this is an exceptional case such that an award to Valjakka of its attorneys’ fees and costs pursuant to 35 U.S.C. § 285 is justified. Denied that Netflix is entitled to an award of attorneys’ fees and costs.

**FIFTH COUNTERCLAIM**  
**Declaratory Judgment of Invalidity of U.S. Patent No. 8,495,167**

113. To the extent that Paragraph 113 incorporates prior allegations, these allegations are denied.

114. Admitted.

115. Paragraph 115 contains legal conclusions and allegations to which no answer is required. To the extent an Answer is required, the allegations are denied upon information and belief.

116. Valjakka admits that Paragraph 116 states that “The claims of the ’167 Patent are invalid for failure to meet the conditions of patentability and/or otherwise comply with one or more of 35 U.S.C. §§ 101 et seq., e.g., 102, 103, 112, and 132,” but denies the veracity and merit of these assertions.

117. Valjakka admits that Paragraph 117 states that “For example, ’167 Patent is also invalid under 35 U.S.C. § 101 because it is directed to nothing more than the unpatentable

1 abstract idea of distributing the delivery of content among multiple actors. Further, each claim  
 2 element of the asserted claims recites only features that are well-understood, routine, and  
 3 conventional, and nothing in the claims transforms the abstract idea into an inventive concept,”  
 4 but denies the veracity and merit of these assertions.

5 118. Valjakka admits that Paragraph 118 states that “The ’167 Patent is also invalid  
 6 under pre-AIA 35 U.S.C. § 102 and/or as obvious under U.S.C. § 103 in view of prior art to the  
 7 patent, including without limitation, U.S. Patent Nos. 6,912,514; 6,950,431; 6,970,939;  
 8 7,139,827; 7,222,186; 7,228,416; 7,373,103; 5,905,952; 7,398,312; 6,708,213; 8,392,611;  
 9 7,149,797; U.S. Patent Application No. 2006/0114350; and Publication Nos. WO 00/65776; WO  
 10 01/22688; HU 222,337; EP 0726663; EP 0863646; EP 0709994; Publications Zegura et al.,  
 11 Application-Layer Anycasting: A Server Selection Architecture and Use in a Replicated Web  
 12 Service; Kung et al., Hierarchical Peer-to-Peer Networks; Amini et al., Distribution Requirements  
 13 for Content Internetworking; Green et al., Content Internetworking Architectural Overview;  
 14 Cisco Systems, Inc., Close Encounters: Cisco end-to-end solution pushes streaming and other  
 15 feature-rich content closer to end users; Cisco Systems, Inc., Speeding and Scaling Web Sites  
 16 Using Cisco Content-Delivery Technology White Paper; and Prior Art Systems Cisco Systems,  
 17 Inc., Cisco Content Delivery Network (CDN); Inktomi Corporation, Inktomi Content Distributor;  
 18 F5 Networks, Inc., Global-Site Controller; and Starburst Software, Inc., StarBurst OmniCast,” but  
 19 denies the veracity and merit of these assertions.

20 119. Valjakka admits that Paragraph 119 states that “The ’167 Patent is also invalid  
 21 under 35 U.S.C. § 112 as indefinite. At least as would be understood by one of ordinary skill in  
 22 the art and/or as applied in Mr. Valjakka’s Complaint, the claim language is indefinite because it  
 23 does not have a meaning that can be clearly and definitely determined from the patent, and thus  
 24 fails to put the public on notice of what is and is not covered by these claims. The ’167 Patent  
 25 fails to satisfy the requirements of 35 U.S.C. § 112(2) due to the claim language being indefinite,”  
 26 but denies the veracity and merit of these allegations.

27 120. Valjakka admits that Paragraph 120 states that “The ’167 Patent is also invalid  
 28

1 due to improper and/or incorrect inventorship, including nonjoinder under 35 U.S.C. §§ 101, 111,  
 2 115, 116, 282, and/or pre-AIA 35 U.S.C. § 102(f) for Mr. Valjakka's intentional omission of Iiro  
 3 Karesniemi as a co-inventor of the '167 Patent," but denies the veracity and merit of these  
 4 allegations.

5 121. The allegations in Paragraph 121 are legal conclusions to which no response is  
 6 necessary. To the extent an Answer is required, these allegations are denied.

7 122. Admitted that this is an exceptional case such that an award to Valjakka of its  
 8 attorneys' fees and costs pursuant to 35 U.S.C. § 285 is justified. Denied that Netflix is entitled to  
 9 an award of attorneys' fees and costs.

10 **SIXTH COUNTERCLAIM**  
 11 **Declaratory Judgment of Invalidity of U.S. Patent No. 10,726,102**

12 123. To the extent that Paragraph 123 incorporates prior allegations, these allegations  
 13 are denied.

14 124. Admitted. Valjakka withdrew its claims of infringement of the '102 patent on or  
 15 about June 16, 2023. Netflix was informed by e-mail on that day.

16 125. Valjakka admits that Paragraph 125 states that "the '102 Patent is invalid under 35  
 17 U.S.C. § 101 because Claims 10 and 11 are directed to nothing more than the unpatentable  
 18 abstract idea of providing restricted access to content using multiple levels of validation. Further,  
 19 each claim element of the asserted claims 10 and 11 recites only features that are well-  
 20 understood, routine, and conventional, and nothing in the claims transforms the abstract idea into  
 21 an inventive concept," but denies the veracity and merit of these allegations.

22 126. "The claims of the '102 Patent are invalid for failure to meet the conditions of  
 23 patentability and/or otherwise comply with one or more of 35 U.S.C. §§ 101 et seq., e.g., 102,  
 24 103, 112, and 132. For example, the '102 Patent is invalid as anticipated under 35 U.S.C. § 102  
 25 and/or as obvious under U.S.C. § 103 in view of prior art to the patent, including without  
 26 limitation, U.S. Patent Nos. 6,891,953; and 8,359,473; U.S. Patent Application Nos.  
 27 2016/0198202; 2003/0161473; 2004/0064714; 2004/0098592; 2002/0018566; 2007/0208711;  
 28

2010/0185868; 2008/0071617; 2008/0098212; 2005/0018854; 2010/0174608; 2012/0042389; and Publication No. KR 101103403 B1; Publications William Rosenblatt, William Trippe, Stephen Mooney, Digital Rights Management; Ramya Venkataramu, Analysis and Engancement of Apple’s Fairplay Digital Rights Management; Eric Rescorla, SSL and TLS: Designing and Building Secure Systems; Naganand Doraswamy, Dan Harkins, IPSec: The New Security Standard for the Internet, Intranets, and Virtual Private Networks (Second Edition); H. Krawczyk, M. Bellare, R. Canetti, HMAC: Keyed-Hashing for Message Authentication (RFC 2104); Bruce Schneier, E-Mail Security: How to Keep Your Electronic Messages Private; David K. Gifford, Cryptographic Sealing for Information Secrecy and Authentication; and S. Kent, IP Encapsulating Security Payload (ESP) (RFC 2406); and Prior Art Systems the Apple FairPlay system, the Google WideVine system, and the Microsoft PlayReady system,” but denies the veracity and merit of these allegations.

127. Valjakka admits that Paragraph 127 states that “The ’102 Patent is also invalid under 35 U.S.C. § 112 as indefinite, for lack of written description, and/or enablement, at least under Valjakka’s apparent application of the claims. For example, the specification of the ’102 Patent does not provide an adequate written description under 35 U.S.C. § 112(1) for at least the phrase “information describing encryption properties” in Claim 10. The specification does not teach that the patentee had possession of a method to access “information describing encryption properties” as recited in the claims. While “information describing encryption properties” is recited briefly in the specification, there is no description or teaching of what “information describing encryption properties” is. Thus, this claim limitation lacks written description and enablement. The specification does not enable a person of ordinary skill in the art to make use of the full scope of these claims without undue experimentation. Additionally, at least as would be understood by one of ordinary skill in the art and/or as applied in Valjakka’s Amended Complaint, this claim language is indefinite because it does not have a meaning that can be clearly and definitely determined from the patent, and thus fails to put the public on notice of what is and is not covered by these claims. Claim 10 of the ’102 Patent fails to satisfy the

requirements of 35 U.S.C. § 112(2) due to the identified claim phrase being indefinite,” but denies the veracity and merit of these allegations.

128. The allegations in Paragraph 128 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

129. Admitted that this is an exceptional case such that an award to Valjakka of its attorneys' fees and costs pursuant to 35 U.S.C. § 285 is justified. Denied that Netflix is entitled to an award of attorneys' fees and costs.

**SEVENTH COUNTERCLAIM**  
**Violation of the California Uniform Voidable Transactions Act**  
**Cal. Civ. Code § 3439 *et. seq.***

130. To the extent that Paragraph 130 incorporates prior allegations, these allegations are denied.

131. The allegations in Paragraph 131 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

132. The allegations in Paragraph 132 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

133. The allegations in Paragraph 133 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

134. The allegations in Paragraph 134 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

135. The allegations in Paragraph 135 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

**(a) Valjakka's Insider Transaction Evidences His Fraudulent Intent**

136. The allegations in Paragraph 136 are legal conclusions to which no response is necessary. To the extent an Answer is required, Valjakka admits he is a majority shareholder of CDN. Valjakka denies that badge (1) of Civ. Code § 3439.04(b)(1) is met by any transfer or obligation.

137. The allegations in Paragraph 137 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied as Valjakka did not transfer all rights to his patents. Valjakka admits he transferred rights related to the Enforcement Assets to CDN but denies any fraudulent transfer.

(b) Valjakka's Retention of Control Evidences His Fraudulent Intent

138. The allegations in Paragraph 138 are legal conclusions to which no response is necessary. To the extent an Answer is required, Valjakka denies that Cal. Civ. Code § 3439.04(b)(2) applies to the rights transferred in the Enforcement Assets but admits that he retained possession and control, at least in part.

139. Valjakka admits he has an ownership interest as a shareholder in CDN but denies the remainder.

(c) Valjakka's Extensive Efforts to Conceal CDN Evidences His Fraudulent Intent

140. Denied.

141. Denied.

142. Denied as Valjakka's July 11, 2022, response to interrogatory No. 8 comprised unresolved objections. Valjakka supplemented on September 9, 2022 by providing Valjakka and IP Case Group 1, LLC. In his July 11, 2022 response to interrogatory No. 17, Valjakka provided "CDN Licensing Oy is a company established in 2021 to manage expenses and revenue from the Action."

143. Denied to the extent that on July 11, 2022, Valjakka did disclose CDN in interrogatory response No.17: "CDN Licensing Oy is a company established in 2021 to manage expenses and revenue from the Action." Valjakka therefore disclosed that CDN was to receive revenue from the Action and had a financial interest.

144. Denied to the extent that on July 11, 2022, Valjakka did disclose CDN in interrogatory response No.17: "CDN Licensing Oy is a company established in 2021 to manage expenses and revenue from the Action." Valjakka therefore disclosed that CDN was to receive revenue from the Action and had a financial interest. Moreover, Plaintiff filed a



1 revised disclosure document on September 21, 2023, as Doc. No. 174.

2 145. Denied.

3 146. Denied.

4 (d) Valjakka's Removal and Concealment of The Enforcement Assets Evidences  
 5 His Fraudulent Intent

6 147. Denied to the extent that Cal. Civ. Code § 3439.04(a)(7) applies to the litigation  
 7 funding agreement Valjakka established through the CDN License Agreement. Valjakka admits  
 8 he transferred Enforcement Assets to CDN but only to obtain financing for the Action. There was  
 9 no intent to conceal.

10 (e) The Low Cost of The CDN Licenses Versus The Value of The Enforcement  
 11 Assets Evidences Valjakka's Fraudulent Intent

12 148. Denied as the execution date of the CDN License Agreement was in 2021, prior  
 13 to any expert's proper evaluation of the appropriate value for the claims of the '167 patent  
 14 and before any opinion on infringement.

15 (f) Valjakka &/or CDN &/or IPRA's Likely Insolvency Evidences Valjakka's  
 16 Fraudulent Intent

17 149. Denied that CDN Licensing nears insolvency as provided by Cal. Civ. Code §  
 18 3439.04(a)(9).

19 150. Admitted except that IPRA Technologies would not benefit from Enforcement  
 20 Assets of CDN Licensing.

21 151. Denied.

22 (g) Valjakka Transferred the Assets And Kept the Liabilities, Further Evidencing  
 23 His Fraudulent Intent

24 152. Denied.

25 153. The allegations in Paragraph 153 are legal conclusions to which no response is  
 26 necessary. To the extent an Answer is required, these allegations are denied.

27 (h) There Exists Considerable Further Evidence of Valjakka's Fraudulent Intent  
 28

154. Denied.

155. Denied, as explained in paragraphs 142-144.

156. Denied.

157. The allegations in Paragraph 157 are legal conclusions to which no response is necessary. To the extent an Answer is required, these allegations are denied.

### **RESPONSE TO PRAYER FOR RELIEF**

Valjakka denies that Netflix is entitled to judgment or any of the relief requested by the Counterclaims and prays for the following relief:

A. That Netflix take nothing by reason of the counterclaims, and that the counterclaims action be dismissed with prejudice;

B. That the Court enter judgment in favor of Valjakka and against Netflix, with respect to all causes of action in the counterclaims;

C. That the Court award Valjakka his attorneys' fees and other costs reasonably incurred in the defense of the counterclaims; and

D. That the Court order such further relief for Valjakka as the Court may deem just and proper.

### **DEMAND FOR JURY TRIAL**

Valjakka respectfully demands a jury trial as to all issues raised in Netflix's counterclaims which are triable to a jury in this action.

### **AFFIRMATIVE DEFENSES**

By characterizing these as "Affirmative Defenses," as Netflix does in its answer, Valjakka is not taking on any burden of proof beyond that which the law applies to him. Thus, without admitting or implying that Valjakka bears the burden of proof as to any of them, Valjakka, on information and belief, asserts the following affirmative defenses:

#### **FIRST AFFIRMATIVE DEFENSE**

158. Each cause of action set forth in Netflix's Counterclaims fails to state a claim

1 upon which relief can be granted.

2 **SECOND AFFIRMATIVE DEFENSE**

3 159. Netflix's counterclaims are barred, in whole or in part, by the equitable defenses of  
4 estoppel, waiver, laches and/or unclean hands.

5 **THIRD AFFIRMATIVE DEFENSE**

6 160. Netflix has failed to make reasonable efforts to mitigate its damages, if any.

7 **FOURTH AFFIRMATIVE DEFENSE**

8 161. Netflix's claims are subject to a set off based upon Netflix's and/or other parties'  
9 acts and wrongdoing.

10 **FIFTH AFFIRMATIVE DEFENSE**

11 162. That if the Court holds that Valjakka did not have ownership of the '167 patent at  
12 the time this action was filed, Valjakka requests the Court reform the Utilization Agreement such  
13 that e-3 Systems transfers the rights to Sumo Biisi with reversion back to Lauri Valjakka, Juha  
14 Setala, and Pekka Pakarinen, according to the agreement.

15 **SIXTH AFFIRMATIVE DEFENSE**

16 163. Under Finnish common law, when Sumo Biisi abandoned the '685 application and  
17 Lauri Valjakka reinstated the rights, the title of the '685 application reverted to Lauri Valjakka.  
18

19 **SEVENTH AFFIRMATIVE DEFENSE**

20 164. Netflix has failed to allege a sufficient controversy concerning inventorship.  
21 Netflix has not sufficiently alleged that Mr. Karesniemi is an inventor of the '167 patent but only  
22 of having written parts of the patent application. Thus, Karesniemi's contribution was, at most,  
23 assisting in constructively reducing the invention to practice. This alone cannot constitute  
24 inventorship, otherwise patent attorneys and agents would be considered inventors on all patents.

25 **EIGHTH AFFIRMATIVE DEFENSE**

26 165. Mr. Valjakka is the true original first inventor of the '167 patent. However, if the  
27 Court holds otherwise, any misnaming of inventors was by mistake and without deceptive intent,  
28

1 and any putative inventor can be added pursuant to 35 U.S.C. § 285 without affecting this action.

2 **NINTH AFFIRMATIVE DEFENSE**

3 166. Netflix at least has unclean hands in the filing of counterclaims that allege lack of  
4 standing and unclean hands by Valjakka when Netflix knows and has known that Valjakka owns  
5 the '167 patent. Mr. Valjakka is the true and rightful owner of the '167 patent due to ownership  
6 rights claimed under Finnish common law that arose after the '685 Application was abandoned by  
7 Soumen Biisi on July 9, 2010. Netflix intentionally and maliciously left out this important fact  
8 from its pleadings. Netflix knew at the time of filing its counterclaims, and has known at least  
9 since the deposition of Mr. Valjakka, that Valjakka owns the '167 patent under Finnish law.

10 **TENTH AFFIRMATIVE DEFENSE**

11 167. Valjakka did not violate the California Uniform Voidable Transactions Act  
12 because the actions he took in entering into the CDN License were designed to fund this case.  
13 There was no intent to hide any assets from any potential creditor. Upon learning that the CDN  
14 License Agreement might be viewed as a violation of the California Uniform Voidable  
15 Transactions Act, Valjakka cancelled it to remove any potential harm to Defendant.

16 **RESERVATION OF RIGHTS & PRAYER FOR RELIEF**

17 168. Valjakka reserves the right to assert any other legal or equitable defenses to which  
18 it is shown to be entitled, including all affirmative defenses under Rule 8(c) of the Federal Rules  
19 of Civil Procedure, the Patent Laws of the United States, and any other defenses that may now  
20 exist or in the future be available based on discovery or further factual investigation in this case.

21 **PRAYER FOR RELIEF**

22 Valjakka respectfully requests the Court to enter an order:

- 23 a. Declaring that Mr. Valjakka is the lawful inventor of U.S. Patent No. 8,495,167  
24 and that no other person has any claim to inventorship of that patent;
- 25 b. Declaring that Mr. Valjakka is the lawful owner of U.S. Patent No. 8,495,167 and  
26 that no other person has any claim to ownership of that patent;
- 27 c. That the U.S. Patent No. 8,495,167 is valid and enforceable and no inequitable  
28

1 conduct was committed by Valjakka in correcting inventorship;

2 d. Awarding such other relief as may be appropriate and just.

3  
4 Dated: November 14, 2023

Respectfully submitted,

5 RAMEY LLP

6 /s/ William P. Ramey, III

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16 **LAURI VALJAKKA**